

SERVICESOURCE INTERNATIONAL, INC.
Form DEF 14A
April 04, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-2

SERVICESOURCE INTERNATIONAL, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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Dear Fellow Stockholders:

You are cordially invited to join us for our 2019 annual meeting of stockholders, which will be held on May 14, 2019, at 3:00 p.m. local time at our Corporate Headquarters located at 717 17th Street, 5th Floor, Denver, Colorado 80202. Holders of record of our common stock as of March 19, 2019 are entitled to notice of, and to vote at, the 2019 annual meeting.

The Notice of Annual Meeting of Stockholders and the proxy statement that follow describe the business to be conducted at the meeting. We may also report on matters of current interest to our stockholders at that meeting.

We are pleased to be furnishing these materials to our stockholders via the internet. We believe this approach provides you with the information that you need while expediting your receipt of these materials, lowering our costs of delivery, and reducing the environmental impact of our annual meeting. If you would like us to send you printed copies of our proxy statement and accompanying materials, we will be happy to do so at no charge upon your request. For more information, please refer to the Notice of Internet Availability of Proxy Materials that we are mailing to you on or about April 4, 2019.

You are welcome to attend the meeting. However, even if you plan to attend, please vote your shares promptly and prior to the meeting to ensure they are represented at the meeting. You may submit your proxy by internet or telephone, as described in the following materials, or, if you request printed copies of these materials, by completing and signing the proxy or voting instruction card enclosed therein and returning it in the envelope provided. If you decide to attend the meeting and wish to change your proxy, you may do so automatically by voting in person at the meeting.

If your shares are held in the name of a broker, bank, trust or other nominee, you may be asked for proof of ownership of these shares to be admitted to the meeting.

We thank you for your support.

Sincerely,

Gary B. Moore

Chief Executive Officer

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NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

DATE: May 14, 2019
TIME: 3:00 p.m., Mountain Time
PLACE: ServiceSource International, Inc., Corporate Headquarters 717 17th Street, 5th Floor, Denver, Colorado 80202
RECORD DATE: March 19, 2019
ITEMS OF BUSINESS:

1. To elect the seven nominees for director as listed in this proxy statement;
 2. To authorize our board of directors, in its discretion, to amend our certificate of incorporation to effect a reverse stock split of our common stock in a ratio of not less than one-for-four and not more than one-for-six, to be determined by the board of directors;
 3. To approve, on an advisory basis, our 2018 executive compensation; and
 4. To ratify the appointment of Ernst & Young LLP as our independent auditor for fiscal 2019.
- We also will transact any other business that may properly come before the meeting or at any adjournments thereof. We are not aware of any other business to come before the meeting at this time.

Only stockholders of record at the close of business on March 19, 2019, or their valid proxies, are entitled to attend and vote at the meeting and any and all adjournments or postponements of the meeting.

Your vote is important. Whether or not you plan to attend the annual meeting, we encourage you read the proxy statement and to vote as promptly as possible. For specific instructions on how to vote your shares, please refer to the instructions in the section entitled **How to Vote** beginning on page 1 of the proxy statement.

By order of the board of directors,

Gary B. Moore

Chief Executive Officer

Denver, Colorado

April 4, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 14, 2019: THIS PROXY STATEMENT AND SERVICESOURCE'S 2018 ANNUAL REPORT ON FORM 10-K ARE AVAILABLE AT *IR.SERVICESOURCE.COM*. ADDITIONALLY, AND IN ACCORDANCE WITH RULES OF THE U.S. SECURITIES AND EXCHANGE COMMISSION (SEC), YOU MAY ACCESS THESE MATERIALS AT WWW.PROXYDOCS.COM/SREV.

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Proxy Statement

We are providing these proxy materials in connection with the solicitation by our board of directors of proxies to be voted at our 2019 annual meeting of stockholders, which will take place on Tuesday, May 14, 2019 at 3:00 p.m., Mountain Time, at our Corporate Headquarters located at 717 17th Street, 5th Floor, Denver, Colorado 80202. As a stockholder, you are invited to attend the annual meeting and are requested to vote on the items of business described in this proxy statement.

This proxy statement and the accompanying proxy card, notice of annual meeting and voting instructions are being distributed and made available on or about April 4, 2019 to all stockholders of record entitled to vote at the annual meeting.

How To Vote

in advance of the annual meeting

Even if you plan to attend the annual meeting in person, please vote as promptly as possible using one of the following voting methods. Make sure you have your proxy/voting instruction card in hand and follow the instructions. You can vote in advance in one of the following three ways and in *each case*, votes must be cast prior to 5 p.m., Mountain Time on Monday, May 13, 2019:

VIA THE INTERNET

Visit the website listed on your notice or proxy/voting instruction card and follow the instructions

BY TELEPHONE

Call the telephone number listed on your notice or proxy/voting instruction card and follow the instructions

BY MAIL

Sign, date and return your proxy/voting instruction card in the enclosed envelope if you did not receive one, you may request one by following the instructions in your notice

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PROXY SUMMARY

Proxy Summary

This summary highlights information generally contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement carefully before voting.

Date, Time and Place of Meeting

Date: May 14, 2019

Time: 3:00 p.m., Mountain Time

Place: 717 17th Street, 5th Floor, Denver, Colorado 80202

Record Date: Stockholders of record as of the close of business on March 19, 2019 are entitled to attend, and to vote at, the annual meeting.

Admission

You must bring proof that you owned ServiceSource stock on the record date in order to be admitted to the annual meeting.

Requirements:**Voting Matters and Board Recommendations**

The following proposals will be considered at the annual meeting:

		Board Recommendation	More Information
Proposal 1	<u>Election of directors</u>	FOR each nominee	Page 12
Proposal 2	<u>Vote to authorize the board of directors, in its discretion, to amend our certificate of incorporation to effect a reverse stock split</u>	FOR	Page 18

Proposal 3	<u>Advisory vote to approve executive compensation</u>	FOR	Page 25
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Proposal 4	<u>Ratification of appointment of Ernst & Young LLP as independent registered public accounting firm</u>	FOR	Page 26
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Other Matters

The management and board of directors of the Company know of no other matters to be brought before the meeting. If other matters are properly presented to the stockholders for action at the meeting or any adjournments or postponements thereof, it is the intention of the proxy holders named in this proxy to vote in their discretion on all matters on which the shares of common stock represented by such proxy are entitled to vote. The entire cost of this solicitation of proxies will be borne by the Company, including expenses incurred in connection with preparing, assembling and mailing the Notice. The Company may reimburse brokers or persons holding stock in their names or in the names of their nominees for their expenses in sending the proxy materials to beneficial owners who request paper copies. Certain officers, directors and regular employees of the Company, who will receive no extra compensation for their services, may solicit proxies by mail, telephone, facsimile, email or personally.

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Board of Directors Overview

The members of our board of directors as of March 19, 2019 are:

Board Member	Independent	Director Since	Committees
Robert G. Ashe		2013	Nominating & Corporate Governance (Chair), Audit
Christopher M. Carrington		2014	
Bruce W. Dunlevie*		2004	Compensation (Chair)
John R. Ferron		2019	Audit
Thomas F. Mendoza		2011	Compensation, Nominating & Corporate Governance
Gary B. Moore**		2016	-
Madhu Ranganathan		2017	Audit (Chair), Nominating & Corporate Governance
Richard G. Walker		2017	-

* Lead Independent Director

** Chairman of the board of directors

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Role and Composition of the Board

As of March 19, 2019, our board of directors is composed of eight members. Upon the recommendation of our nominating and corporate governance committee, we are nominating Robert G. Ashe, Bruce W. Dunlevie, John R. Ferron, Thomas F. Mendoza, Gary B. Moore, Madhu Ranganathan and Richard G. Walker for re-election to our board of directors. If re-elected, Messrs. Ashe, Dunlevie, Ferron, Mendoza, Moore and Walker, and Ms. Ranganathan, will each hold office for a one (1) year term until our annual meeting of stockholders to be held in 2020. Mr. Carrington has not been nominated for re-election at our annual meeting.

Each director's term continues until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Our board of directors is responsible for, among other things, overseeing the conduct of our business, reviewing and, where appropriate, approving our long-term strategic, financial and organizational goals and plans, and reviewing the performance of our Chief Executive Officer and other members of senior management.

Board Leadership Structure

Chairperson of the Board

Our board of directors currently has no established policy on whether the roles of Chief Executive Officer and Chairperson of the board of directors should be separated. Our board of directors believes that it is most appropriate to make that determination based on the Company's circumstances. In November 2018, Mr. Moore was appointed as our executive Chairman. In December 2019, in connection with Mr. Moore's appointment as our Chief Executive Officer, our board of directors determined that the most effective leadership model for the Company is for Mr. Moore to serve as both Chairman and Chief Executive Officer. The board of directors believes its current structure is functioning effectively. The board of directors does not believe that introducing a separate Chairman at this time would provide appreciably better direction for the Company.

Lead Independent Director

Mr. Dunlevie is our lead independent director. As our lead independent director, he is responsible for helping to set the agendas for board meetings, coordinating the activities of the independent directors and presiding over board meetings if the chairperson is absent. In addition, the lead independent director presides over executive sessions without the presence of the non-independent directors or members of the Company's management from time to time as deemed necessary or appropriate. The role given to the lead independent director helps ensure a strong, independent and active board of directors.

Director Independence and Tenure

Under the rules of the NASDAQ Global Select Market (NASDAQ), where our common stock trades, independent directors must constitute a majority of a listed company s board of directors. In addition, the rules of NASDAQ require that, subject to specified exceptions, each member of a listed company s audit, compensation and nominating and corporate governance committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under the rules of NASDAQ, a director will only qualify as an independent director if, in the opinion of that company s board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee, accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries, or be an affiliated person of the listed company or any of its subsidiaries.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that none of the following non-employee directors has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is independent as that term is defined under the rules of NASDAQ: Robert G. Ashe, Bruce W. Dunlevie, John R. Ferron, Thomas F. Mendoza, and Madhu Ranganathan. Our board of directors also determined each of the members of our audit committee, our compensation committee, and our nominating and corporate governance committee satisfy the independence standards for those committees established by the applicable rules and regulations of the SEC and NASDAQ.

In making these determinations, our board of directors considered the relationships that each non-employee director has with our Company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Board's Role in Risk Oversight

Our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. Our senior management is responsible for assessing and managing our risks on a day-to-day basis.

Our audit committee oversees and reviews with management our policies with respect to risk assessment and risk management and our significant financial risk exposures and the actions management has taken to limit, monitor or control such exposures.

Our nominating and corporate governance committee reviews and recommends corporate governance policies and practices to reduce the risk of wrongdoing and to promote good corporate governance.

Our compensation committee reviews our executive and non-executive compensation programs and practices to design compensation not to encourage unnecessary or excessive risk-taking.

Each of our committees reports to the full board of directors with respect to these matters, among others.

At periodic meetings of the board of directors and its committees and in other meetings and discussions, management reports to and seeks guidance from the board of directors and its committees with respect to the most significant risks that could affect our business, such as legal, compliance, financial, tax and audit related risks. In addition, among other matters, management provides our audit committee periodic reports on our compliance programs and efforts.

Board Committees

Our board of directors has three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and primary responsibilities of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Committee Composition

Board Member	Committee		
	Audit	Compensation	Nominating and Corporate Governance
Robert G. Ashe ^{*(1)}	M		C
Christopher M. Carrington			
Bruce W. Dunlevie*		C	
John R. Ferron ^{*(1)}	M		
Thomas F. Mendoza*		M	M
Gary B. Moore			
Madhu Ranganathan ^{*(1)(2)}	C		M
Richard G. Walker			
Total Number of Meetings in Fiscal 2018	8	3	2

* Independent Director M Member C Chair

(1) Financially Sophisticated under NASDAQ rules

(2) Audit Committee Financial Expert as defined under SEC rules

Audit Committee

Our audit committee oversees our corporate accounting and financial reporting processes and each committee member meets the financial literacy requirements under applicable rules and regulations of the SEC and NASDAQ.

Members (all independent)*

Madhu Ranganathan (Chair)

Robert G. Ashe

John R. Ferron

Our audit committee operates under a written charter approved by our board of directors. The charter is available on our website at www.servicesource.com in the Corporate Governance section of our investor relations webpage.

* Each of our audit committee members is Financially Sophisticated under NASDAQ rules. Ms. Ranganathan is our Audit Committee Financial Expert under SEC rules

Our audit committee is responsible for, among other things:

evaluating our independent registered public accounting firm's qualifications, independence and performance and approving the audit and non-audit services performed by our independent auditors;

monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;

reviewing the adequacy and effectiveness of our internal control policies and procedures;

discussing the scope and results of the audit with the independent registered public accounting firm and reviewing our interim and year-end operating results with management and the independent auditors;

preparing the audit committee report that the SEC requires in our annual proxy statement; and

reviewing annually the audit committee charter and the committee's performance.

Compensation Committee

Our compensation committee reviews and recommends policies relating to the compensation and benefits of our officers and employees and each committee member meets the definition of outside directors under Section 162(m) of the Internal Revenue Code of 1986, as amended and also qualifies as a non-employee director for purposes of Rule 16b-3 under the Exchange Act.

Members (all independent)

Bruce W. Dunlevie (Chair)

Thomas F. Mendoza

Our compensation committee operates under a written charter approved by the board of directors. The charter is available on our website at www.servicesource.com in the Corporate Governance section of our investor relations webpage.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our compensation committee is responsible for, among other things:

overseeing our compensation policies, plans and benefit programs, including the approval of stock grants;

reviewing and approving for our executive officers: the annual base salary, the annual incentive bonus, including the specific goals and amount, equity compensation, employment agreements, severance arrangements and change of control arrangements and any other benefits, compensation or arrangements;

preparing the compensation committee report that the SEC requires to be included in our annual proxy statement;

administering, reviewing and making recommendations with respect to our equity compensation plans; and

reviewing annually the compensation committee charter and the committee's performance.

See *Compensation of Non-Employee Directors* and *Executive Compensation* for a description of our processes and procedures for the consideration and determination of director and executive compensation.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee oversees and assists our board of directors in reviewing and recommending nominees for election as directors.

Members (all independent)

Robert G. Ashe (Chair)

Thomas F. Mendoza

Our nominating and corporate governance committee operates under a written charter approved by the board of directors. The charter is available on our website at www.servicesource.com in the Corporate Governance section of our investor relations webpage.

Madhu Ranganathan

Our nominating and corporate governance committee is responsible for, among other things:

evaluating and making recommendations regarding the organization and governance of our board of directors and its committees;

establishing procedures for the submission of candidates for election to our board of directors (including recommendations by stockholders of the Company);

establishing procedures for identifying and evaluating nominees for director;

creating a succession plan in the event of key executive departures;

assessing the performance of members of our board of directors and making recommendations regarding committee and chair assignments; and

recommending desired qualifications for board membership and conducting searches for potential board members.

2018 Board Meetings

During 2018, our board of directors met nine times. Each of our incumbent directors attended or participated in at least 75% of the aggregate of (i) the total number of meetings of our board of directors held during the period for which he or she has been a director and (ii) the total number of meetings held by all committees of our board of directors on which he or she served during the time he or she was a member of such committee in 2018.

Executive Sessions of Independent Directors

Independent members of our board of directors convene executive sessions without the presence of our non-independent directors or members of the Company's management from time to time as deemed necessary or appropriate. Messrs. Moore and Walker do not, and Mr. Carrington did not participate in such sessions in 2018 during the period in which each of them served as executive officers of the Company.

Compensation Committee Interlocks and Insider Participation

Messrs. Dunlevie, Mendoza, Moore, Reynolds, and Walker served as members of our compensation committee during 2018. Messrs. Moore and Walker resigned from the compensation committee upon becoming executive

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

officers of the Company. None of the members of our compensation committee is, or was during 2018, an officer or employee of ours. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

We are committed to the highest standards of integrity and ethics in the way we conduct our business. Accordingly, we adopted a Code of Business Conduct and Ethics that applies to our board of directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and other principal executive and senior financial officers. Our Code of Business Conduct and Ethics establishes our policies and expectations with respect to a wide range of business conduct, including preparation and maintenance of financial and accounting information, compliance with laws and conflicts of interest.

Under our Code of Business Conduct and Ethics, each of our employees, officers and directors is required to report suspected or actual violations to the extent permitted by law. In addition, we have adopted separate procedures concerning the receipt and investigation of complaints relating to accounting or audit matters. These procedures have been adopted and are administered by our audit committee.

Our Code of Business Conduct and Ethics is available on our website at www.servicesource.com in the Corporate Governance section of our investor relations webpage. We will disclose on our website any amendments to the Code of Business Conduct and Ethics, as well as any waivers of the Code of Business Conduct and Ethics, that are required to be disclosed by the rules of the SEC or NASDAQ.

Considerations in Identifying and Evaluating Director Nominees

In its evaluation of director candidates, including the members of the board of directors eligible for re-election, our nominating and corporate governance committee will consider the following:

the current size and composition of our board of directors and the needs of the board of directors and its respective committees;

factors such as character, integrity, judgment, age, independence, skills, education, expertise, business acumen, business experience, length of service, understanding of our business and other commitments and the like, without assigning any particular weighting or priority to any of these factors;

diversity of skills, backgrounds, experience, age, gender, sexual orientation and identification, cultural and ethnic composition of the board of directors and the candidate, and historically under-represented groups that are most appropriate to the Company's long-term business needs; and

other factors that our nominating and corporate governance committee may consider appropriate.

Our nominating and corporate governance committee requires the following minimum qualifications to be satisfied by any nominee for a position on the board of directors:

the highest personal and professional ethics and integrity;

proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;

skills that are complementary to those of the existing board of directors;

the ability to assist and support management and make significant contributions to our success; and

an understanding of the fiduciary responsibilities that are required of a member of the board of directors and the commitment of time and energy necessary to diligently carry out those responsibilities.

If our nominating and corporate governance committee determines that an additional or replacement director is required, the nominating and corporate governance committee may take such measures as it considers appropriate in connection with its evaluation of a director candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the nominating and corporate governance committee, board of directors or management.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Process for Recommending Candidates to the Board of Directors

Our nominating and corporate governance committee is responsible for, among other things, determining the criteria for membership to our board of directors and recommending candidates for election to the board of directors.

It is our nominating and corporate governance committee's policy to consider candidates recommended by such stockholders in the same manner as candidates recommended to the committee from other sources. See *Shareholder Proposals*, *Director Candidate Recommendations* and *Director Candidate Nominations*.

Director Attendance at Annual Meetings

Although we do not have a formal policy regarding attendance by members of our board of directors at annual meetings of stockholders, we encourage, but do not require, directors to attend. The 2018 annual meeting of Stockholders was attended by Messrs. Moore and Carrington.

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COMPENSATION OF NON-EMPLOYEE DIRECTORS

COMPENSATION OF NON-EMPLOYEE DIRECTORS

The Compensation Committee is currently evaluating our director compensation program.

Under our current program, our non-employee directors receive the following cash compensation for board service:

	Cash Compensation
<i>Non-Employee Directors</i>	\$20,000 Annual Cash Retainer
<i>Lead Independent Director</i>	
<i>Audit or Compensation Committees</i>	\$25,000 annual Chairmanship retainer; \$17,500 annual membership retainer
<i>Nominating and Governance Committee</i>	\$10,000 annual Chairmanship retainer; \$7,500 annual membership retainer

In addition, we reimburse non-employee directors for travel, lodging, and other reasonable expenses incurred in connection with their attendance at board or committee meetings.

In May 2018, pursuant to our then-current non-employee director compensation program, we granted 35,366 restricted stock units (RSUs) to each of our non-employee directors (at that time, Messrs. Ashe, Dunlevie, Mendoza, Moore, Reynolds, and Walker and Ms. Ranganathan). These RSU grants have a one-year vesting schedule, and were calculated based on \$135,000 in value based on the 90-day average share price prior to the 2018 annual meeting.

In January 2019, we granted 75,000 RSUs and 25,000 options to purchase our common stock to John Ferron upon his joining the board of directors. These grants each have a two-year vesting schedule.

The 2011 Equity Incentive Plan provides that in the event we merge with or into another corporation or undergo a change of control, as defined in the 2011 Equity Incentive Plan, the successor corporation or its parent or subsidiary may assume or substitute an equivalent award for each outstanding award under the 2011 Equity Incentive Plan. If there is no assumption or substitution of the outstanding award, or if the director is terminated or asked to resign by the successor corporation, then all outstanding but unvested awards will become fully vested and exercisable.

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COMPENSATION OF NON-EMPLOYEE DIRECTORS

2018 Director Compensation

The following table sets forth information regarding compensation paid or accrued for services rendered to us by our non-employee directors during the year ended December 31, 2018. Because Messrs. Moore, Walker, and Carrington served as employee directors during part of 2018, their compensation, including compensation received as non-employee directors, is included in the Executive Compensation section of this proxy statement. See *Summary Compensation Table*.

Name	Fees Earned	Stock	Total(\$)
	or Paid in	Awards	
	Cash(\$)	(\$) ⁽¹⁾	
Robert G. Ashe	47,500	141,464 ⁽²⁾	188,964
Bruce W. Dunlevie	26,375	141,464 ⁽²⁾	167,839
Thomas F. Mendoza	45,000	141,464 ⁽²⁾	186,464
Madhu Ranganathan	48,125	141,464 ⁽²⁾	189,589
Barry D. Reynolds ⁽³⁾	26,250	141,464 ⁽²⁾	167,714

(1) The amount in this column reflects the grant date fair value of the award computed in accordance with FASB ASC Topic 718. The amount does not necessarily correspond to the actual value recognized by the non-employee director. The assumptions used in the valuation of this award are consistent with the valuation methodologies specified in the notes to our consolidated financial statement included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

(2) These amounts are represented by awards of RSUs made on May 16, 2018, all of which vest on May 16, 2019, provided that the applicable director continues to serve on our board of directors as of such vesting date.

(3) Mr. Reynolds resigned from our board of directors in August 2018 and as a result, his unvested restricted stock units were forfeited.

The aggregate number of shares subject to outstanding stock options and restricted stock units at December 31, 2018 for each non-employee director was as follows:

Name ⁽¹⁾	Aggregate	Aggregate
	Number of	Number of
	Stock	Stock
	Options	Awards

	Outstanding as of December 31, 2018	Outstanding as of December 31, 2018
Robert G. Ashe	75,000 ⁽²⁾	35,366 ⁽³⁾
Bruce W. Dunlevie		35,366 ⁽³⁾
Thomas F. Mendoza		35,366 ⁽³⁾
Madhu Ranganathan		99,900 ⁽⁴⁾
Barry D. Reynolds	(5)	(5)

(1) Because Messrs. Moore and Walker served as employee directors during part of 2018, the aggregate number of shares subject to outstanding stock options and restricted stock units at December 31, 2018 that they received as non-employee directors, is included in the Executive Compensation section of this proxy statement. See *Outstanding Equity Awards at Fiscal Year End*.

(2) Stock options are fully vested and immediately exercisable.

(3) All of the restricted stock units vest on May 16, 2019, provided that the applicable director continues to serve on our board of directors as of such vesting date.

(4) Consists of 35,366 restricted stock units that vest on May 16, 2019, and 64,534 restricted stock units that vest in two equal annual installments on October 9, 2019 and October 9, 2020, provided that Ms. Ranganathan continues to serve on our board of directors as of such vesting dates.

(5) As reported by Mr. Reynolds to the Company as of March 1, 2019.

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PROPOSAL NUMBER 1

PROPOSAL NUMBER 1 Election Of Directors**Board Structure**

Our board of directors is currently composed of eight members, who serve one-year terms.

Our bylaws provide for a majority voting standard for the election of directors in uncontested elections. In order for a nominee to be elected in an uncontested election, the number of votes cast for such nominee's election must exceed the number of votes cast against that nominee. Broker non-votes and abstentions will have no effect on the outcome of the election. Our majority voting standard includes a policy that if a director nominee does not receive majority support of the votes cast, his or her resignation will be automatically submitted to the board of directors for their consideration. The board of directors may then, in its discretion, determine whether to accept or reject such resignation.

Information Regarding our Directors

Our nominating and corporate governance committee recommended, and our board of directors nominated, Robert G. Ashe, Bruce W. Dunlevie, John R. Ferron, Thomas F. Mendoza, Gary B. Moore, Madhu Ranganathan and Richard G. Walker as nominees for election as directors at the 2019 annual meeting to hold office for a one-year term until our annual meeting of stockholders to be held in 2020. Mr. Carrington has not been nominated for re-election at our annual meeting.

Messrs. Ashe, Dunlevie, Ferron, Mendoza, Moore and Walker, and Ms. Ranganathan have agreed to serve if elected, and management has no reason to believe that any of the nominees will be unavailable to serve. In the event one of the nominees is unable or declines to serve as a director at the time of the 2019 annual meeting, proxies will be voted for any nominee who may be proposed by the nominating and corporate governance committee and designated by the present board of directors to fill the vacancy.

The following table sets forth the names, ages and positions of our directors as of March 13, 2019:

Robert G. Ashe**Independent Director**

Robert G. Ashe has served as a member of our board of directors since March 2013. Mr. Ashe was most recently General Manager of Business Analytics at IBM, a position from which he retired in January 2012. Mr. Ashe worked at IBM from 2008 until his retirement. Prior to that, from 2004 to 2008, Mr. Ashe was President, Chief Executive Officer and Director of Cognos, a business intelligence and performance management

Director, ServiceSource International, Inc.

Age: 59

Director since 2013

Nominating & Corporate Governance Committee (Chair)

Audit Committee

company. He worked at Cognos from 1984 until 2008 when Cognos was acquired by IBM, holding various executive positions, including Chief Financial Officer. He currently serves on the boards of directors of MSCI Inc. (NYSE: MSCI), a provider of investment decision support tools and Shopify Inc. (NYSE: SHOP), an eCommerce company. Mr. Ashe also served on the board of directors of Halogen Software, Inc. (TSX: HGN) until May 2017, when it was acquired by Saba Software, Inc. Mr. Ashe is also a Chartered Accountant in Canada.

Board Skills and Qualifications

We believe that Mr. Ashe possesses specific attributes that qualify him to serve on our board of directors. In particular, he is an industry veteran with extensive experience in the technology sector and has intimate knowledge of how to grow innovative and market-leading businesses. Mr. Ashe also brings valuable operational expertise as the former chief executive officer and chief financial officer of a successful technology company. His experience as an accountant and as a chief financial officer of a public company contribute to the board of directors' determination that he is Financially Sophisticated under NASDAQ rules and qualifies Mr. Ashe to serve as a member of our audit committee.

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PROPOSAL NUMBER 1

*Christopher M. Carrington***Director**

Director, ServiceSource International, Inc.

Christopher M. Carrington has served as member of our board of directors since December 2014. Mr. Carrington also served as our Chief Executive Officer from December 2014 to December 2018. Prior to joining us, Mr. Carrington served as Executive Vice President, Global Delivery, at Sykes Enterprises Incorporated, a business process outsourcing services and IT-enabled services company, from September 2012 to June 2014. From July 2006 to September 2012, Mr. Carrington served as President, Chief Executive Officer and a director of Alpine Access, Inc., a privately held company, which was acquired by Sykes Enterprises Incorporated in August 2012.

Age: 57

Board Skills and Qualifications

Director since 2014

We believe that Mr. Carrington possesses specific attributes that qualify him to serve as a member of our board of directors, including his substantial operational and business strategy expertise gained from serving as an executive officer in the technology and services industries.

*Bruce W. Dunlevie***Lead Independent Director**

General Partner, Benchmark Capital

Bruce W. Dunlevie has served as a member of our board of directors since December 2004. Since May 1995, Mr. Dunlevie has been a General Partner of Benchmark Capital, a venture capital firm. He previously served as a member of the board of directors of Marin Software Incorporated (NYSE: MRIN), an online advertising management company from March 2008 until February 2017, and also served as a member of the board of directors of Rambus Inc. (NASDAQ: RMBS), a technology licensing company, from March 1990 to June 2011.

Age: 62

Board Skills and Qualifications

Director since 2004

We believe that Mr. Dunlevie possesses specific attributes that qualify him to serve as a member of our board of directors. In particular, Mr. Dunlevie is a longstanding member of our board of directors with a deep understanding of our business and our customer

Compensation Committee
(Chair)

base, and he has extensive experience as an investor in technology companies on behalf of Benchmark Capital. Mr. Dunlevie brings the experience of having served on the board of several other technology companies. In addition, his professional network has given us access to numerous prospective customers.

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PROPOSAL NUMBER 1

John R. Ferron

Independent Director

**Chief Executive Officer,
Resolve Systems**

Age: 54

Director since 2019

Audit Committee

John R. Ferron joined our board of directors in January 2019. He is an executive leader, board member, and operating advisor with more than 30 years of experience in the technology industry, including IT and security-related infrastructure software, semiconductors, computing and storage, and video conferencing. Mr. Ferron has served as Chief Executive Officer and board member since July 2018 for Resolve Systems, an enterprise-wide automation and orchestration platform for IT, network and security incident resolution and a portfolio company of Insight Venture Partners. Previous to Resolve, Mr. Ferron spent more than a decade as an operating advisor with Clearlake Capital Group, L.P., a leading private investment firm, where he served as an executive for several Clearlake portfolio companies, including serving from February 2017 to June 2018 as Executive Chairman at Ivanti, an IT service management software vendor formed by the \$1.6 billion merger of LANDesk and Heat Software, where Ferron served as Chief Executive Officer from January 2016 to February 2018. Mr. Ferron also served from October 2014 to January 2016 as President and Chief Executive Officer at NetMotion Software, a Clearlake mobile performance management software vendor that was sold to Carlyle Group in 2016. From April 2008 to September 2014, he served as President and Chief Executive Officer of Purple Communications, a leading technology-enabled professional interpreting and communication assistance services provider formed by the merger of five companies under Mr. Ferron’s leadership. Earlier in his career, he spent more than 15 years in senior finance leadership roles at companies including Kinetics Holding Corporation, Compaq Computer, and Science Applications International Corporation. In addition to ServiceSource, Mr. Ferron also serves on the board of directors for Resolve Systems, Ivanti, and Provation Medical. He holds a Master of Science in Tax and Financial Planning from San Diego State University and a Bachelor of Science in Business Management from Northern Arizona University.

Board Skills and Qualifications

We believe that Mr. Ferron possesses specific attributes that qualify him to serve as a member of our board of directors. In particular, Mr. Ferron has experience as Chief Executive Officer, and he has extensive experience running technology service companies on behalf of Clearlake Capital Group. Mr. Ferron also has experience in mergers and acquisitions at several other technology companies which experiences contribute to the board of directors’ determination that he is Financially Sophisticated under NASDAQ rules.

Thomas F. Mendoza

Independent Director

Vice Chairman of NetApp, Inc.

Age: 68

Director since 2011

Compensation Committee

Nominating & Corporate Governance Committee

Thomas F. Mendoza has served as a member of our board of directors since March 2011. Since March 2008, Mr. Mendoza has served as vice chairman of NetApp, Inc., a storage and data management solutions provider. From October 2000 to March 2008, Mr. Mendoza served as president of NetApp, Inc. Prior to October 2000, he served in various capacities at NetApp, Inc., including senior vice president, worldwide sales and marketing, senior vice president, worldwide sales and vice president, North American sales. He has also served as a member of the board of directors of Varonis Systems, Inc. (NASDAQ: VRNS), a data software provider, since June 2015. Mr. Mendoza has also served as a director of many other technology companies.

Board Skills and Qualifications

We believe that Mr. Mendoza has specific attributes that qualify him to serve as a member of our board of directors, including a strong mix of operational experience and deep understanding of the technology industry that adds to our board of directors collective level of expertise, skill and qualifications. In particular, he brings to our board of directors over thirty years of operational experience he gained from holding various executive positions at technology companies, including a publicly traded company. Mr. Mendoza also brings an important customer perspective to our board of directors as the vice chairman of one of our largest customers.

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PROPOSAL NUMBER 1

Gary B. Moore**Chairman and Chief Executive Officer, ServiceSource International, Inc.****Age:** 69**Director since** 2016

Gary B. Moore has served as our Chief Executive Officer since December 2018, as the Executive Chairman of our board of directors since November 2018, and as a member of our board of directors since November 2016. He served from October 2012 to June 2015 as President and COO of Cisco Systems, Inc., a global leader in networking and connectivity with more than \$49 billion revenue and over 70,000 employees across more than 400 offices worldwide. Prior to his promotion to this role, Moore was named the first COO in Cisco's history in 2011, and joined Cisco in 2001 as Senior Vice President of the Advanced Services Division and ultimately went on to lead Cisco Global Services. Prior to joining Cisco, Moore was President and CEO of Netigy, a network consulting business. Moore began his career in 1973 at Electronic Data Systems (EDS) where he held a number of executive roles over a 26-year career. Additionally, Moore was a member of EDS's Global Operations Council where he was responsible for multiple business units, including manufacturing, retail and distribution customers globally. Moore also led the formation of EDS's joint venture with Hitachi Limited, Hitachi Data Systems, and served as its President and CEO during its initial three years of operations. Moore is a part-time Executive in Residence at The Ohio State University Fisher College of Business (OSU), working in the areas of Operational Excellence, Cyber Security and Mid-Market studies but he has not taught at OSU since becoming our Chief Executive Officer. In addition to our board of directors, Moore also serves on the board for Finjan Holdings, Inc. (NASDAQ: FNJN) and on KLA-Tencor Corporation's (NASDAQ: KLAC) board as a member of the compensation committee. His past board involvement includes VCE, the Smithsonian Institution, Unigraphics Solutions, A.T. Kearney, Japan Systems Limited and Hitachi Data Systems. Moore's experience also includes a four-year tour of duty with the U.S. Army.

Board Skills and Qualifications

We believe that Mr. Moore possesses several unique attributes that qualify him to serve as a member of our board of directors, including his leadership experience with one of our largest customers as well as his years of experience with business process outsourcing and IT-enabled services companies, which provide unique insights into our business and overall market trends. In addition, Mr. Moore's financial and accounting expertise qualified him to serve as a member of our audit committee during 2018 prior to his appointment as our Chief Executive Officer.

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PROPOSAL NUMBER 1

*Madhu Ranganathan***Independent Director****Chief Financial Officer and Executive Vice President, OpenText Corporation****Age:** 54**Director since** 2017

Audit Committee (Chair)

Nominating & Corporate Governance Committee

Madhu Ranganathan has served as a member of our board of directors since October 2017. Since April 2018, she has served as the Chief Financial Officer and Executive Vice President of OpenText Corporation (NASDAQ: OTEX, TSX: OTEX), a leading enterprise information management company. Through March 2018, Ms. Ranganathan served as the Global Chief Financial Officer of [24]7, a software and services company that uses artificial intelligence and machine learning to dramatically improve customer experiences. Prior to joining [24]7 in 2008, Ms. Ranganathan held executive leadership roles including serving as Chief Financial Officer of Rackable Systems, a server and storage company, which merged with Silicon Graphics International Corp. (NASDAQ: SGI) and is now part of Hewlett Packard Enterprises. Prior to Rackable, she served as Vice President and Corporate Controller at Redback Networks (now part of Ericsson), an advanced networking equipment company. Ms. Ranganathan also led finance operations at emerging growth companies, Jamcracker, a services platform, and BackWeb Technologies, an e-Business software provider, including during its successful IPO. Earlier in her career, she was in public accounting with PriceWaterhouse Coopers LLP. Ms. Ranganathan currently serves on the board of directors of Watermark. She is a Chartered Accountant from India, Certified Public Accountant in California and holds an M.B.A. in Finance from the University of Massachusetts.

Board Skills and Qualifications

We believe that Ms. Ranganathan possesses specific attributes that qualify her to serve as a member of our board of directors. In particular, she brings over 20 years of financial, operational and business strength, along with Big 4 public accounting experience to the Company, which contribute to the board of directors' determination that she is an Audit Committee Expert under SEC rules and Financially Sophisticated under NASDAQ rules, and qualifies Ms. Ranganathan to serve as a member of our audit committee. She also brings deep financial and operational expertise to our board of directors.

Richard G. Walker

**Chief Financial Officer,
ServiceSource
International, Inc.**

Age: 55

Director since 2017

Richard G. Walker has served as our Chief Financial Officer since November 2018 and as a member of our board of directors since October 2017. In October 2016, he founded The Bison Group, LLC, a private partnership formed to identify and pursue acquisition opportunities in the information services category. Prior to founding The Bison Group, from April 2015 to December 2015, Mr. Walker was Executive Vice President Strategy and Corporate Development for Ascent Capital Group, Inc. (NASDAQ: ASCMA). From December 2013 to December 2016, he served as a Director and Chairman of the Board of Trusted Media Brands, Inc. (formerly known as Readers Digest Association), where he supported a new Chief Executive Officer and executive leadership team in executing a successful three-year turnaround. Previous to Ascent, from 2006 to February 2014, Mr. Walker served as a core member of the executive leadership team at IHS (now IHS Markit Ltd. (NASDAQ: INFO)), where he was instrumental in driving the strategic direction, operational execution, and organic and acquisition-related growth of the business, including in roles as Executive Vice President and Chief Financial Officer and then as Executive Vice President of Global Finance. He is a member of the boards of directors of the Presidents Leadership Class at the University of Colorado, the Capuchin-Franciscans, and Cherry Hills Country Club. Mr. Walker holds a B.A. in Business Accounting from the University of Colorado at Boulder and began his career as a Certified Public Accountant with Arthur Andersen. He also obtained his M.B.A. from the University of Denver Daniels College of Business.

Board Skills and Qualifications

We believe that Mr. Walker possesses specific attributes that qualify him to serve as a member of our board of directors. His years of experience in finance, strategy and operational execution and in his board leadership position provide Mr. Walker with a unique perspective on our business and competitive opportunities.

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PROPOSAL NUMBER 1

Required Vote

If a quorum is present, our directors will each be elected by a vote of the majority of the votes cast. A majority of the votes cast means the number of votes cast **FOR** such nominee's election exceeds 50% of the number of votes cast with respect to that nominee's election.

You may vote **FOR**, **AGAINST**, or **ABSTAIN** with respect to each director nominee. Broker non-votes and abstentions will have no effect on the outcome of the election, although they will be counted for purposes of determining whether there is a quorum. Shares represented by executed proxies will be voted, if authority to do so is not expressly withheld (as indicated on the proxy card), for the election of Messrs. Ashe, Dunlevie, Ferron, Mendoza, Moore, and Walker and Ms. Ranganathan.

Recommendation

Our board of directors recommends a vote **FOR** the election to the board of directors of ***each of Robert G. Ashe, Bruce W. Dunlevie, John R. Ferron, Thomas F. Mendoza, Gary B. Moore, Madhu Ranganathan, and Richard G. Walker*** as director.

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PROPOSAL NUMBER 2

PROPOSAL NUMBER 2 Vote to Authorize the Board of Directors, in its Discretion, to Amend Our Certificate of Incorporation to Effect a Reverse Stock Split in a Ratio of Not Less Than One-for-Four and Not More than One-for-Six, to be Determined by the Board of Directors

Background

On February 27, 2019, our board of directors unanimously approved, and recommended that our stockholders approve, a proposal to authorize the board of directors, in its discretion, to amend our Certificate of Incorporation, as amended (the Certificate Amendment) to effect a reverse stock split at a ratio of not less than one-for-four and not more than one-for-six, with the exact ratio to be set within this range by our board of directors in its sole discretion (the Reverse Stock Split). The final decision of whether to proceed with the Reverse Stock Split and the effective time of the Reverse Stock Split is to be determined by the board of directors, in its sole discretion.

If the stockholders approve the Reverse Stock Split, and the board of directors decides to implement it, the Reverse Stock Split will become effective as of a date and time to be determined by the board of directors that will be specified in the Certificate Amendment (the Effective Time). If the board of directors does not decide to implement the Reverse Stock Split within twelve months from the date of the annual meeting, the authority granted in this proposal to implement the Reverse Stock Split will terminate.

The Reverse Stock Split will be realized simultaneously for all outstanding common stock. The Reverse Stock Split will affect all holders of common stock uniformly and each stockholder will hold the same percentage of common stock outstanding immediately following the Reverse Stock Split as that stockholder held immediately prior to the Reverse Stock Split, except for minor changes that may result from the treatment of fractional shares, as described below. The Reverse Stock Split will not change the par value of our common stock and will not reduce the number of authorized shares of common stock. Outstanding shares of common stock resulting from the Reverse Stock Split will remain fully paid and non-assessable.

The text of the proposed Certificate Amendment to effect the Reverse Stock Split is included as Appendix A to this proxy statement. Any amendment to our Certificate of Incorporation to effect the Reverse Stock Split will include the Reverse Stock Split ratio fixed by our board of directors, within the range approved by our stockholders.

Criteria to Be Used for Decision to Proceed with the Reverse Stock Split

If our stockholders approve the Reverse Stock Split, our board of directors will be authorized to proceed with the Reverse Stock Split. The exact ratio of the Reverse Stock Split, within the one-for-four to one-for-six range, would be determined by our board of directors, in its sole discretion, and publicly announced by us prior to the Effective Time. In determining whether to proceed with the Reverse Stock Split and setting the appropriate ratio for the Reverse Stock Split, our board of directors will consider, among other things, factors such as:

NASDAQ's minimum price per share requirements;

the historical trading prices and trading volume of our common stock;

the number of shares of our common stock outstanding;

the then-prevailing and expected trading prices and trading volume of our common stock and the anticipated impact of the Reverse Stock Split on the trading market for our common stock;

the anticipated impact of a particular ratio on our ability to reduce administrative and transactional costs;

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PROPOSAL NUMBER 2

business developments affecting us; and

prevailing general market and economic conditions.

Reasons for the Reverse Stock Split

The board of directors believes that the increased market price of the common stock expected as a result of implementing the Reverse Stock Split could improve the marketability and liquidity of our common stock and will encourage interest and trading in our common stock, and, importantly, would enable the common stock to continue to be listed on the NASDAQ Global Select Market, the listing rules of which require that the minimum bid price for our common stock equal or exceed \$1.00 per share. The Reverse Stock Split could allow a broader range of institutions to invest in our common stock, potentially increasing trading volume and liquidity of our common stock. The Reverse Stock Split could also help increase analyst and broker interest in our common stock as their policies can discourage them from following or recommending companies with low stock prices.

The board of directors (or any authorized committee of the board of directors) reserves the right to elect to abandon the Reverse Stock Split, notwithstanding stockholder approval, if it determines, in its sole discretion, that the Reverse Stock Split is no longer in the best interests of the Company.

Procedure for Effecting Reverse Stock Split

If the Reverse Stock Split is approved by the Company's stockholders, and if at such time the board of directors still believes that a Reverse Stock Split is in the best interests of the Company and its stockholders, the board of directors will determine the exact timing of the filing of the Certificate Amendment. We will then file the Certificate Amendment, the form of which is attached hereto as Appendix A, with the Secretary of State of the State of Delaware to effect the Reverse Stock Split. The text of the Certificate of Amendment is subject to modification to include such changes as may be required by the office of the Secretary of State of the State of Delaware and as the board of directors deems necessary and advisable to effect the Reverse Stock Split.

All shares of our common stock that were issued and outstanding immediately prior to the Effective Time would automatically be converted into new shares of our common stock based on the Reverse Stock Split ratio by reclassifying and combining all of our outstanding shares of common stock into a proportionately smaller number of shares. For example, if the board of directors decides to implement a one-for-six Reverse Stock Split of common stock, then a stockholder holding 6,000 shares of common stock before the Reverse Stock Split would instead hold 1,000 shares of common stock immediately after the reverse stock split. If the board of directors does not decide to implement the Reverse Stock Split within twelve months from the date of the annual meeting, the authority granted in this proposal to implement the Reverse Stock Split will terminate.

As soon as practicable after the Effective Time of the Reverse Stock Split, stockholders of record at the Effective Time would receive a letter from our transfer agent asking them to return the outstanding certificates representing pre-split shares of common stock, which would be cancelled upon receipt by our transfer agent, and new certificates representing the post-split shares of common stock would be sent to each of our stockholders. We will bear the costs of the issuance of the new stock certificates. Stockholders who hold uncertificated shares, either as direct or beneficial owners, will have their holdings electronically adjusted by the Company's transfer agent (and, for beneficial owners, by their brokers or banks that hold in street name for their benefit, as the case may be) to give effect to the Reverse Stock Split. Stockholders who hold uncertificated shares as direct owners will be sent a statement of holding from the Company's transfer agent that indicates the number of shares owned in book-entry form.

Beginning after the effectiveness of the Reverse Stock Split, each certificate representing shares of pre-split common stock will be deemed for all corporate purposes to evidence ownership of post-split common stock.

STOCKHOLDERS SHOULD NOT DESTROY ANY STOCK CERTIFICATES AND SHOULD NOT SUBMIT THEIR STOCK CERTIFICATES UNTIL THEY RECEIVE A TRANSMITTAL FORM FROM OUR TRANSFER AGENT.

Principal Effects of the Reverse Stock Split

If the Reverse Stock Split is approved and our board of directors elects to effect the Reverse Stock Split, the number of outstanding shares of common stock will be reduced in proportion to the ratio of the Reverse Stock Split chosen by our board of directors.